

Washington, DC -- In a comprehensive response to the housing crisis facing homeowners across the country, U.S. Representative Michael A. Arcuri (D-Utica) voted today for a package of housing measures to help families facing foreclosure keep their homes and help communities recover.

“While some parts of Upstate New York have been spared the worst of national housing problems, there are many local families worried about making the next mortgage payment. I want to assure these families that we are taking steps in Congress to protect homeowners and the local economy,” **Arcuri said**. “The American dream of homeownership is in jeopardy, and I am proud to join with colleague from both sides of the aisle to help families get back on their feet.”

The American Housing Rescue and Foreclosure Prevention Act of 2008 (H.R. 5830) and the Neighborhood Stabilization Act of 2008 (H.R.5818) passed the U.S. House of Representatives today with bipartisan support.

The Pew Charitable Trusts estimates there will be 124,601 foreclosures in New York in 2008 and 2009, with effects far beyond those immediately facing foreclosure. Foreclosures in neighborhoods throughout New York will cause an estimated 3,552,642 homes to be devalued over the same time period. The Pew Charitable Trusts estimates \$65 billion in lost property values, eroding the state and local tax base.

The American Housing Rescue and Foreclosure Prevention Act of 2008 would establish a voluntary government-backed insurance program which would provide mortgage refinancing assistance to help keep families from losing their homes and protect neighboring home values. It would also expand programs run by the Federal Housing Administration (FHA) which allow borrowers in danger of losing their home to refinance into lower-cost government -insured mortgages they can afford to repay.

H.R. 5830 would require both homeowners and lenders to take responsibility. In order to qualify for refinancing and new government backed mortgages, lenders and mortgage investors would be required to take a loss and borrowers must share any profit from the resale of a refinanced home with the government. Additionally, the new plan would be open only to owner-occupied homes. Speculators, investors and vacation/second-home owners could not apply.

The Neighborhood Stabilization Act (H.R. 5818) would establish a \$15 billion, HUD-administered loan and grant program for the purchase and rehabilitation of vacant, foreclosed homes with the goal of occupying them as soon as possible, providing HUD grants directly to states based on their share of foreclosures in the market. The federal government would be paid back from resale or, in the case of rental properties, refinance proceeds.

Neighborhoods hit with multiple foreclosed and empty homes, have seen decreased property values and increased crime – putting an even greater strain on local municipalities.

H.R. 5818 is supported by the National Governors' Association, U.S. Conference of Mayors, National Association of Counties, National Association of Local Housing Finance Agencies, National Community Development Association, and the National Council of State Housing Agencies, as well as a wide range of civil rights, community development, labor, and low-income housing groups.

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